



Midpeninsula Regional
Open Space District

R-22-99
Meeting 22-21
August 24, 2022

AGENDA ITEM 6

AGENDA ITEM

Approval of a Multi-Year Agreement with Chaparral Country Corporation as the Recommended Concessionaire for Bear Creek Stables located in Bear Creek Redwoods Open Space Preserve

GENERAL MANAGER'S RECOMMENDATION *den*

Authorize the General Manager to enter into a Concessionaire Agreement for Bear Creek Stables with Chaparral Country Corporation for a preliminary 2-year term with options to extend for two additional 5-year terms and a fee structure of: (1) 5% of gross receipts lease payment and (2) 5% of gross receipts payment held in a maintenance and improvement fund.

SUMMARY

In June, the Midpeninsula Regional Open Space District (District) completed the process for identifying a top recommended concessionaire for the Bear Creek Stables site located at Bear Creek Redwoods Open Space Preserve. Based upon the operational requirements and concessionaire selection criteria approved by the District Board of Directors (Board) at the July 14, 2021, meeting (R-21-98), a committee was formed comprised of sister agencies and District staff to review and rank proposals. Four candidates responded to a Request for Proposals (RFP) solicitation, submitting the required information for phase one of the process. Each proposer was then invited to continue to a second phase. Of the four candidates that submitted phase two documentation, three were selected to move forward to participate in a panel interview and to host an in-person, onsite inspection and review one of their current stables operations. After a thorough review of all the material and a ranking of the information using the Board-approved concessionaire selection criteria, the selection committee unanimously identified Chaparral Country Corporation (Chaparral) as the recommended Bear Creek Stables concessionaire. The General Manager recommends awarding Chaparral the Bear Creek Stables Concessionaire Agreement for an initial 2-year term with options to extend for two additional 5-years terms with a fee structure of the following: (1) a monthly lease payment equal to 5% of gross receipts and (2) a separate payment equal to 5% of gross receipts that is directed to and held in a maintenance and improvement fund.

BACKGROUND

In 1999, the District acquired a 260-acre property as an addition to Bear Creek Redwoods Open Space Preserve (BCR Preserve) in unincorporated Santa Clara County. This acquisition included Bear Creek Stables (Stables). Equestrian use was first established at the site by Dr. Harry L. Tevis in 1916 as part of an extensive estate. The Stables has been in continuous operation since at least the 1940s as a boarding and training facility for 72 horses. The Stables legally operates in Santa Clara County under a legal non-conforming use designation since 1975. Under this

designation, the Stables is allowed to board up to 72 horses, however expansion or intensification of the use is not allowed.

In 2017, the Board approved the Bear Creek Redwoods Preserve Plan (Preserve Plan) (R-17-15). The Preserve Plan designates the Stables for continued equestrian use and identifies numerous actions for the Stables, including infrastructure repairs and hillside erosion control and revegetation. Design plans for the repairs have been completed and a use permit submitted to the County. Discussions on the Use Permit conditions are ongoing. Once a Use Permit is secured, the District will proceed with obtaining a building and grading permit before releasing a Request for Bids to award a construction contract.

DISCUSSION

The District has recently completed a competitive concessionaire RFP process to pursue a multi-year agreement with a selected concessionaire for operation of the Bear Creek Stables. An evaluation committee comprised of sister agencies and District staff unanimously identified Chaparral as the highest ranked candidate with the experience and background to implement the Board-approved operational goals for the Stables. Chaparral's submittals and interviews demonstrate that they have the expertise, experience, resources, and shared purpose to effectively manage and operate the Stables and lead the public programs that are allowed at the site. Entering into a multi-year agreement with Chaparral will maintain the horse stables operation, continue the horse boarding and public programming, and improve communications between the operator, the District, boarders, and public.

Concessionaire Selection Criteria

After receiving Board direction on the selection criteria (R-21-98), staff developed a rating scale with relative weights assigned to each criterion. The selection criteria represent the key requirements, qualifications, and other considerations that are necessary of a concessionaire. This evaluation process established a fair and balanced approach for scoring purposes and ensured that key elements for effective selection were included in the submittals.

Each phase included the following submittals/steps:

Phase One

- Cover Letter or Executive Summary (one page)
- Approach to Work (two pages)
- Project Team and Composition (one page)
- Resumes (two pages maximum per team member; up to three team members)

Phase Two

- Written Proposal
Description of experience managing a horse stables facility, providing equestrian training, providing for the health and safety of horses, and providing facility maintenance. A proposed financial plan, including an estimate of revenues, operational costs, and payments to the District.
- Panel Interview
Each selected candidate participated in a panel interview to gather additional information on their experience, to determine their suitability as a concessionaire, and to clearly communicate the operational needs of the Bear Creek Stables site.

- Site Interview
Each candidate participated in an in-person, onsite inspection of one of their current stables operations to observe and learn more first-hand how they run a similar operation.

Evaluation Committee

The evaluation committee included District staff and external partners with broad experience managing concessionaire agreements and/or implementing capital repairs that support concessionaire operations to provide an impartial review of the proposals. The committee was comprised of six members of which three were from the District and three from outside agencies. The District team consisted of a Senior Property Manager Specialist (Land and Facilities), Senior Capital Project Manager (Engineering and Construction), and Senior Planner (Planning). These staff have been actively managing the former stables operators and/or implementing the Stables Repair Plan. The three external members were from the East Bay Regional Park District, Santa Clara Valley Open Space Authority, and Santa Clara County Parks Department, all of whom have experience in managing equestrian facility concessionaires who provide equestrian boarding and/or equestrian training services.

Selection Process

The RFP was issued on February 7, 2022, via Periscope. A legal ad was placed on February 11 and February 18 in the San Jose Mercury News and San Mateo County Times. Invitations to submit proposals were sent to Bear Creek Stables Interested Parties list, Friends of Bear Creek Stables, and over 350 individual members of the Bay Area Equestrian Network covering members from the South Bay, North Bay, East Bay and Peninsula areas.

Potential candidates were invited to attend a mandatory onsite visit where the District reviewed the phase one RFP evaluation requirements. The site visit was held on March 1 at Bear Creek Stables and 24 individuals, broken into two smaller groups, attended. Phase one proposals were due March 23, 2022, and the District received the following four proposals.

Phase One Candidates	Location
Chaparral Country Corporation	Woodside, CA
Pam Ashford	Los Gatos, CA
Bear Creek Community Stables	Los Gatos, CA
Frank Bakonyi	San Jose, CA

Phase one was designed to reduce barriers to entry and provide a more inclusive opportunity for potential proposers to submit a more streamlined initial information request. Phase one proposals were reviewed by the evaluation committee as Pass/Fail. The criteria for passing phase one included: provide a cover letter or executive summary, submit an outline of the candidate's approach to managing the stables, describe how the candidate will provide stables management and how they anticipate providing equestrian training and camps, describe the proposed public programming to reach youth and adults not typically exposed to equestrian programs, describe the proposer team and their role operating the stables, and submit resumes for candidate(s) and other key staff members. All phase one proposals met the requirements and were invited to submit information for phase two.

Phase two was comprised of three steps and provided a more comprehensive review of each candidate. Each candidate provided a written proposal that was evaluated based on the following Board-approved selection criteria:

- Implementation Approach – a clear stables management structure and operational approach
- Implementation Expertise - experience running and improving a stables
- Quality of Proposal - demonstrating an understanding of the project and consistency with the operational requirements
- Revenue/Fee Structure - revenue projections meet operational needs, proposed fee structure is fair and reasonable, submittal of financial records
- Quality of Public Service - for public programs: demonstrating capability to provide quality services through management history and referrals; experience working with diverse and underserved communities
- Financial Capability to Provide Service and Make Payments to the District - demonstrating financial resources to cover startup costs and sustain losses while continuing to provide services and make payments

Based upon the scoring criteria outlined in the RFP, one proposal was eliminated. The remaining three candidates listed below were invited to proceed forward and participate in the panel interview and site interview steps of phase two.

Phase Two Candidates	Location
Chaparral Country Corporation	Woodside, CA
Pam Ashford	Los Gatos, CA
Bear Creek Community Stables	Los Gatos, CA

Candidate interviews were held on May 20, 2022. Each candidate was asked 10 questions with responses scored based upon a total value of 100 points. The final evaluation step was an onsite visit to the candidate's current operation site. This element was valued at 20% of the total interview process. The committee reviewed conditions of the operation, including storage of grain, feed and hay, organization and operation of camps and lessons, daily stable routine of staff, defensible space fire clearance, and the working relationship between the operator and staff, trainers, boarders, and the public. The committee weighed the three steps of the phase two process (written proposal, panel interview and site interview) to identify the best recommended candidate to enter into a concessionaire agreement.

Phase Two Candidates Ranking <i>Listed in order of ranking</i>	Location
1. Chaparral Country Corporation	Woodside, CA
2. Pam Ashford	Los Gatos, CA
3. Bear Creek Community Stables	Los Gatos, CA

Recommended Candidate

Chaparral was founded in 2009 by Shawn Mott and Susan Pennell. Chaparral is a commercial equestrian operation focusing on delivering equestrian programming and facility management that prides itself on customer service, safety and education while bringing together the relationship between horses and humans. Chaparral provides lessons, adult and youth camps, boarding, trail

rides, beach rides, scout and after school programs, and other educational programs. Their mission statement states:

“To serve the public with horse experiences through recreation and outdoor activities. To help preserve and support open space and county parks for future generations. To bring together the relationship between horses and humans through positive, educational, fun and safe interaction.”

Shawn and his team currently operate stables and equestrian operations in several cities, including Milpitas, Woodside, and San Francisco. Currently, Chaparral partners with the County of Santa Clara Parks at Ed Levin Park to offer trail rides and camps. They have partnered with the County of San Mateo Parks to operate Wunderlich Stables, offering boarding and equestrian programming since 2015. Chaparral has partnered with the City of San Francisco at Golden Gate Park since 2019 to offer trail rides. Additionally, Chaparral operates the trail riding program at Camp Mather in Yosemite.

Chaparral’s business plan focuses on providing 24-hour onsite management. Their business model outlines an operation that includes two stall cleaners to support feeding, cleaning, and maintenance of the facility(ies) and instructors to facilitate programs and camps. Chaparral can leverage staff and equipment from their other current operations to support short-term needs at a different site. Equipment can be shared between facilities and therefore reduce long term storage impacts when space is a premium. Programs and camps are organized with a limit of two staff per 10 children and operate between the hours of 9 a.m. to 5 p.m. and 9 a.m. to 2 p.m. during school break periods. Registration for all activities and programs is accessed through an online platform that lets clients view the dates and times available and book accordingly. Chaparral’s public outreach is supported through electronic communication to patrons, previous students and interested parties.

Chaparral has a proven track record of working with government agencies to achieve common goals. They have partnered and managed improvement projects with volunteer groups, including barn construction and restoration/repair work at stables. Chaparral has donated services to local fundraising events in support of projects that benefit the equestrian community. Their customer service driven model, management style, and high level of organization of programs, equipment, staffing and leadership, separated them from the other candidates.

Concessionaire Agreement

The Board previously approved the lease term and fee structure on July 14, 2021 (R-21-98, minutes). The proposed term is a two-year agreement with two five-year agreement extensions. This will give reasonable amount of time for District staff to evaluate operator performance with the initial two-year term before entering into longer five-year terms while also providing the operator more stability than the current month to month lease.

The proposed fee structure is as follows: 5% of gross receipts paid to the District with an additional 5% of gross receipts to be placed to a maintenance fund for the operator to use under the guidance and approval of the District. This structure is comparable to other public agency arrangements and supplements District funding for maintenance, repairs, and improvements proposed for the Stables.

Daily maintenance and upkeep of the Stables would remain the concessionaire's responsibility, a dedicated maintenance fund will ensure funding is available to repair and maintain the site and buildings. The maintenance funding would be used for repair and maintenance activities only; it may not be used to fund the caretaker's salary or for general upkeep such as cleaning and feeding. 10% of the maintenance fund would be set aside for capital repairs and improvements. Large capital improvements would be funded by the District with Board approval.

FISCAL IMPACT

At the initiation of the agreement with Chaparral, along with the transition from the current interim stable operator, the District will need to purchase and install some operational assets to allow for the continued operation of the Stables. District staff recommends purchasing horse water basins and auto watering units, pipe panels for the arena and paddocks, metal gates, posts and fencing systems, including hot-wires, horse shelters and an emergency 250-gallon water storage tanks located in the paddock areas. The total value of the operational assets is estimated at \$54,866. There are sufficient funds in the adopted FY23 Budget to cover these costs.

Chaparral estimates \$406,000 in total sales for the first year. They forecast \$42,000 in lessons, \$180,000 from boarding, \$160,000 generated from camps, and \$24,000 in hosting school, scout, and other events. Feed costs are estimated at \$130,000 while fuel is estimated at \$2,400, and Vet/Farrier fees estimated at \$3,600. Additional costs include maintenance repairs, supplies, labor, and marketing totaling \$39,000. Operational expenses and overhead bring the estimated business net operating income to approximately \$231,000 for the year. These projections place the estimated payment to the District at \$40,600 for the first year, which includes \$20,300 to be reinvested into Stables improvements and maintenance.

BOARD AND COMMITTEE REVIEW

Bear Creek Redwood Preserve Stable, lease information was presented to the Board during the following meetings.

- **December 1999:** The Board approved a month-to-month Stables lease with Glenda and Paul Smith ([R-99-159, minutes](#))
- **October 2015:** Board approved and assigned a month-to-month interim Stables lease to Pamela Ashford. ([R-15-146, minutes](#))
- **January 2017:** The Board approved the Bear Creek Preserve Plan, which established the Stables Management Guidelines. ([R-17-15, minutes](#))
- **June 2021:** The Board affirmed the Use Permit permitting approach for the Bear Creek Stables Project. (R-21-74, [minutes](#))
- **July 2021:** The Board reviewed and approved the Bear Creek Redwood Stable Operational Requirements, Concessionaire Selection Criteria, and Agreement Terms. ([R-21-98, minutes](#))

PUBLIC NOTICE

Public notice was provided as required by the Brown Act. In addition, Bear Creek Stables interested parties were notified of this public meeting.

CEQA COMPLIANCE

Award of a concessionaire agreement is not a project subject to the California Environmental Quality Act. For continued operation of the Stables, Pursuant to Section 15168 of the CEQA Guidelines, the Midpeninsula Regional Open Space District has made a Determination of Consistency, as the operation of the Stables as contemplated herein is within the scope of the approved Bear Creek Redwoods Open Space Preserve Plan, and the Final EIR for the Bear Creek Redwoods Open Space Preserve Plan, for which findings were adopted by Board Resolution No. 17-02, that adequately describe the activity for the purposes of CEQA.

NEXT STEPS

If the terms and new concessionaire agreement with Chaparral are approved by the Board, they will be offered a two-year agreement with the option to renew for two additional five-year periods. Staff would work with the current operator and new concessionaire to develop a transition plan. Staff would negotiate for purchase of assets owned by the current operator that the District is interested in purchasing and retaining as part of the continuing operation, and otherwise seek to purchase the supplies from an outside supplier.

ATTACHMENTS

1. Resolution authorizing the General Manager to enter into a Concessionaire Agreement for Bear Creek Stables with Chaparral Country Corporation for a preliminary 2-year term and to extend the Agreement for two additional 5-year terms

Responsible Department Head:
Brandon Stewart, Land and Facilities Manager

Prepared by/ Staff Contact:
Omar Smith, Senior Property Management Specialist, Land and Facilities

RESOLUTION 22-__

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A CONCESSIONAIRE AGREEMENT WITH CHAPARRAL COUNTRY CORPORATION (BEAR CREEK STABLES, BEAR CREEK REDWOODS OPEN SPACE PRESERVE)

WHEREAS, the Midpeninsula Regional Open Space District (District) desires to engage the services of a concessionaire to operate Bear Creek Stables which is located within Bear Creek Redwoods Open Space Preserve; and

WHEREAS, Chaparral Country Corporation (“Chaparral”) was selected as the top ranked proposer to maintain the horse stabling operation and continue horse boarding and public programming on the premises; and

WHEREAS, the Board of Directors (Board) wishes to authorize the General Manager to engage Chaparral for an initial two-year term, with an option to extend the term for two additional five-year terms in the District’s sole discretion.

NOW, THEREFORE, the Board of Directors of Midpeninsula Regional Open Space District does hereby resolve as follows:

1. The General Manager is authorized to enter into a concessionaire agreement with Chaparral Country Corporation.
2. The General Manager is authorized to execute two five-year term extensions on behalf of the District provided that the concessionaire’s performance is satisfactory to the District as further set forth in the concessionaire agreement. The General Manager, with the concurrence of the General Counsel, is authorized to make minor changes to the concessionaire agreement that do not materially amend the terms and conditions thereof.

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PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2022, at a regular meeting thereof, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

Karen Holman, Secretary

Zoe Kersteen-Tucker, President

Board of Directors

Board of Directors

APPROVED AS TO FORM:

Hilary Stevenson, General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

Jennifer Woodworth, District Clerk